

IN THE CHANCERY COURT OF LEWIS COUNTY
AT HOHENWALD, TENNESSEE

IN RE: SENTINEL TRUST COMPANY)
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)
)

Case No. 4781

FILED
AT 1:43 O'CLOCK P. M.
AUG 8 9 2006
JANET WILLIAMS, CLERK & MASTER
BY Selena Wix

ORDER APPROVING VOTE IN FAVOR OF JOINT REORGANIZATION PLAN IN
CHARLOTTE / ROSELAND BANKRUPTCY PROCEEDING

On June 16, 2006, the Acting Commissioner-in-Possession ("Commissioner") and the Sentinel Trust Receiver ("Receiver") filed and served their Motion for Final Order of Court Approving a Vote in Favor of Joint Reorganization Plan in Charlotte/Roseland Bankruptcy Proceeding ("Charlotte/Roseland Motion"). On July 13, 2006, the Commissioner and Receiver filed and served a Notice of Hearing upon the Motion which notified all concerned that the hearing upon the Charlotte/Roseland Motion would occur on August 8, 2006 and which stated, based on previous Court orders, that any written response in opposition to the Charlotte/Roseland Motion must be filed and served on or before August 1, 2006. Significantly, both the Charlotte/Roseland Motion and the Notice of Hearing were sent to all current bondholders (as reflected on the books and records of Sentinel Trust Company) of the Charlotte/Roseland Bond Issue.

No written responses in opposition or written objections to the Charlotte/Roseland Motion were filed on or before August 1, 2006. This matter came before the Court for hearing on August 8, 2006.

The Court holds that it has authority to rule upon the Charlotte/Roseland Motion and issue this Order for several reasons. First, the Court has inherent authority to rule upon matters

in cases pending before it, such as this Receivership action. Second, approval of the Joint Reorganization Plan in the Charlotte, North Carolina bankruptcy proceeding has impact upon fees that could be earned by Sentinel Trust Company, in Receivership on the defaulted Charlotte/Roseland Bond Issue, it has impact upon disposition of claims lodged against the Sentinel Trust Company Receivership estate and it has impact upon the transfer of fiduciary positions from Sentinel Trust to a successor trustee elected by the Charlotte/Roseland Bond Issue bondholders. Thus, under T.C.A. §§ 45-2-1504(a) and (c), the Court has the authority to rule upon this Charlotte/Roseland Motion. Third, the Court notes that the Joint Reorganization Plan itself recites that approval by the Court of Sentinel Trust's vote in favor of the Joint Reorganization Plan is a condition to the Joint Reorganization Plan becoming effective.

Upon consideration of the Charlotte/Roseland Motion and argument of counsel, upon consideration that no Charlotte/Roseland Bond Issue bondholder has objected to the Charlotte/Roseland Motion and upon consideration that significant blocks of the Charlotte/Roseland Bond Issue bondholders are of record, in this Receivership proceeding, as supporting the relief request in the Charlotte/Roseland Motion, the Court herein GRANTS the Charlotte/Roseland Motion and approves the following:

- 1) a vote by the Receiver on behalf of the Charlotte/Roseland Bond Issue bondholders of their interest in favor of the Joint Reorganization Plan pending in the Charlotte, North Carolina bankruptcy proceeding In re CP-CHA Roseland Limited Partnership, #04-31630 (Bkry. Ct. W.D.N.C.); and
- 2) the Receiver taking all other reasonable actions necessary to effect the Joint Reorganization Plan, including, but not limited to, the signing of the proposed bidding procedure and the signing of an appropriate forbearance agreement.

The Court also orders and instructs the Clerk and Master to enter this Order as a final order, pursuant to Rule 54.02 Tenn.R.Civ.P., on the matters addressed herein. The Receiver's

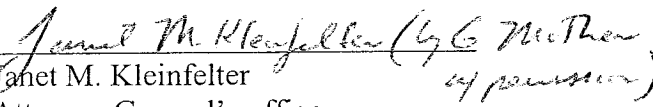
vote in favor of the Joint Reorganization Plan, which is approved herein, will be relied upon in the Charlotte, North Carolina bankruptcy proceeding. Rendering this Order as a final order will give certainty to that reliance. Accordingly, the Court determines that there is no just reason for delay of entry of this Order as a final order and expressly directs the Clerk and Master to do so.

It is so ORDERED, this the 8th day of August, 2006.

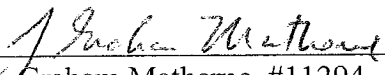


Hon. Jerry Scott
Sitting by Appointment

Approved and Submitted for Entry: -


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CERTIFICATE OF SERVICE

This is to certify that on August 22, 2006 a copy of the foregoing Order has been sent by First Class U.S. Mail, postage paid, and by facsimile transmission as noted, to:

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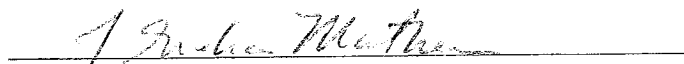
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All Charlotte/Roseland Bondholders who/
which the books and records of Sentinel Trust
Company indicate are current Bondholders of
the Charlotte/Roseland Bond Issue at the
addresses shown in those books and records


J. Graham Matherne